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FISCAL IMPACT STATEMENT

LS 7528

BILL NUMBER: SB 555

NOTE PREPARED: Jan 12, 2005

BILL AMENDED:

SUBJECT: Sewer Bills on Rental Property.

FIRST AUTHOR: Sen. Young R Michael

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a lien for municipal sewer fees does not attach to real property occupied by a lessee unless the municipal utility gives the owner of the real property certain notice. It provides that if a municipal utility enters into an agreement with a lessee for: (1) a deferral or reduction in sewer fees; or (2) another arrangement for the payment of sewer fees; a lien for the amount of fees due after the agreement is made does not attach to the real property unless the owner of the real property consents to the agreement in writing.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: One provision in this bill requires a municipal sewage works to issue a notice to a property owner when a sewer fee is 30 days past due, rather than 60 days, when the property is occupied by someone other than the owner. This provision could increase the administrative cost for the sewage works if more lessees fall delinquent at 30 days than at 60 days, causing additional notices to be sent.

Another provision allows a municipal sewage works to enter into a payment agreement with a lessee, which may increase the potential for delinquent charges to be collected. However, if the lessee remains in default and

the owner of the property has not consented to such an agreement in writing, the delinquent fees can not be attached as a lien on the property. This could make it more difficult for a sewage works to recover delinquent fees. The bill does not require a sewage works to enter into a payment agreement with a lessee.

State Agencies Affected:

Local Agencies Affected: Municipal sewage works.

Information Sources:

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